



DEPARTMENT OF ENERGY

Western Area Power Administration

Olmsted Powerplant Replacement Project - Rate Order No. WAPA-205

AGENCY: Western Area Power Administration, DOE.

ACTION: Notice of proposed formula rate for electric power service.

SUMMARY: The Colorado River Storage Project Management Center (CRSP MC) of the Western Area Power Administration (WAPA) proposes a new formula rate for the Olmsted Powerplant Replacement Project (Olmsted Project). The existing rate for this service under Rate Order WAPA-177 expires on May 6, 2023. There are no proposed changes to the existing formula rate in effect under Rate Order WAPA-177. WAPA proposes the new formula rate under Rate Order WAPA-205 will be effective May 1, 2023, through April 30, 2028.

DATES: A consultation and comment period will begin [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*] and end [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

CRSP MC will accept comments any time during the consultation and comment period.

ADDRESSES: Written comments and requests to be informed of Federal Energy Regulatory Commission (FERC) actions concerning the proposed formula rate submitted by WAPA to FERC for approval should be sent to: Rodney Bailey, Manager, CRSP MC, Western Area Power Administration, 1800 South Rio Grande Avenue, Montrose, CO 81401, or email: RBailey@wapa.gov. CRSP MC will post information about the proposed formula rate and written comments received to its website at:

www.wapa.gov/regions/CRSP/rates/Pages/rate-order-205.aspx.

FOR FURTHER INFORMATION CONTACT: Thomas Hackett, Rates Manager, CRSP MC, Western Area Power Administration, 801-524-5503 or email: hackett@wapa.gov.

SUPPLEMENTARY INFORMATION: On August 30, 2018, FERC approved and confirmed Rate Schedule F-1 under Rate Order No. WAPA-177 on a final basis through May 6, 2023.¹ This schedule applies to the Olmsted Project electric power service.

The existing formula rate provides sufficient revenue to recover annual costs within the cost recovery criteria set forth in Department of Energy (DOE) Order RA 6120.2. The proposed rate continues the formula-based methodology that includes an annual update to the financial data in the rate formula. CRSP MC intends the proposed formula-based rate go into effect May 1, 2023. Each WAPA customer who receives an allocation of power from the Olmsted Project will pay its proportional share of the amortized portion of the United States' investment in the hydroelectric facilities with interest and the associated operation, maintenance, and replacement (OM&R) costs in an annual installment. The proportional share is based on each customer's share of the Olmsted Project's marketable energy production.

This proposed formula-based rate does not depend on the power and energy available to sell or the rate of generation each year. Each customer pays a proportional share of all investment and OM&R expenses of the Olmsted Project in return for its share of the marketable energy produced by the Olmsted Project. Each fiscal year (FY), CRSP MC will estimate the Olmsted Project expenses by preparing a power repayment study, which will include estimates of OM&R costs for the Olmsted Project. Cost allocations will be updated for the FY 2025 installment after the 2025 Olmsted Power Marketing Plan is finalized and new power contracts are effective October 1, 2024. The proposed formula rate would remain in effect until April 30, 2028, or until WAPA changes the formula rate through another public rate process pursuant to 10 CFR part 903, whichever occurs first.

Legal Authority

¹ Order Confirming and Approving Rate Schedule on a Final Basis, FERC Docket No. EF18-4-000, 164 FERC ¶ 62,116 (2018).

Existing DOE procedures for public participation in power and transmission rate adjustments (10 CFR part 903) were published on September 18, 1985, and February 21, 2019.² The proposed action constitutes a minor rate adjustment, as defined by 10 CFR 903.2(e). In accordance with 10 CFR 903.15(a) and 10 CFR 903.16(a), CRSP MC has determined it is not necessary to hold public information and public comment forums for this rate action but is initiating a 30-day consultation and comment period to give the public an opportunity to comment on the proposed formula rate. CRSP MC will review and consider all timely public comments at the conclusion of the consultation and comment period and make amendments or adjustments to the proposal as appropriate. Proposed rates will then be approved on an interim basis.

WAPA is establishing the formula rate for the Olmsted Project in accordance with section 302 of the DOE Organization Act (42 U.S.C. 7152).³

By Delegation Order No. S1-DEL-RATES-2016, effective November 19, 2016, the Secretary of Energy delegated: (1) the authority to develop power and transmission rates to the WAPA Administrator; (2) the authority to confirm, approve, and place such rates into effect on an interim basis to the Deputy Secretary of Energy; and (3) the authority to confirm, approve, and place into effect on a final basis, or to remand or disapprove such rates, to FERC. By Delegation Order No. S1-DEL-S3-2022-2, effective June 13, 2022, the Secretary of Energy also delegated the authority to confirm, approve, and place such rates into effect on an interim basis to the Under Secretary for Infrastructure. By Redelelegation Order No. S3-DEL-WAPA1-2022, effective June 13, 2022, the Under Secretary for Infrastructure further redelegated the authority to confirm, approve, and place such rates into effect on an interim basis to WAPA's Administrator.

² 50 FR 37835 (Sept. 18, 1985) and 84 FR 5347 (Feb. 21, 2019).

³ This Act transferred to, and vested in, the Secretary of Energy the power marketing functions of the Secretary of the Department of the Interior and the Bureau of Reclamation (Reclamation) under the Reclamation Act of 1902 (ch. 1093, 32 Stat. 388), as amended and supplemented by subsequent laws, particularly section 9(c) of the Reclamation Project Act of 1939 (43 U.S.C. 485h(c)); and other acts that specifically apply to the project involved.

Availability of Information

All brochures, studies, comments, letters, memoranda, or other documents that CRSP MC initiates or uses to develop the proposed formula rate are available for inspection and copying at the CRSP MC, located at 1800 South Rio Grande Avenue, Montrose, CO. Many of these documents and supporting information are also available on WAPA's website at: www.wapa.gov/regions/CRSP/rates/Pages/rate-order-205.aspx.

RATEMAKING PROCEDURE REQUIREMENTS

Environmental Compliance

WAPA has determined this action fits within the following categorical exclusions listed in appendix B to subpart D of 10 CFR part 1021.410: B4.3 (Electric power marketing rate changes) and B4.4 (Power marketing services activities). Categorically excluded projects and activities do not require preparation of either an environmental impact statement or an environmental assessment.⁴ Specifically, WAPA has determined that this activity is consistent with activities identified in B4, Categorical Exclusions Applicable to Specific Agency Actions (*see* 10 CFR part 1021 appendix B to subpart D, part B4). A copy of the categorical exclusion determination is available on WAPA's website at: www.wapa.gov/regions/CRSP/rates/Pages/rate-order-205.aspx.

Determination Under Executive Order 12866

WAPA has an exemption from centralized regulatory review under Executive Order 12866; accordingly, no clearance of this notice by the Office of Management and Budget is required.

Signing Authority

This document of the Department of Energy was signed on October 28, 2022, by Tracey A. LeBeau, Administrator, Western Area Power Administration, pursuant to delegated

⁴ The determination was done compliance with the National Environmental Policy Act (NEPA) of 1969, as amended, 42 U.S.C. 4321-4347; the Council on Environmental Quality Regulations for implementing NEPA (40 CFR parts 1500-1508); and DOE NEPA Implementing Procedures and Guidelines (10 CFR part 1021).

authority from the Secretary of Energy. That document, with the original signature and date, is maintained by DOE. For administrative purposes only, and in compliance with requirements of the Office of the Federal Register, the undersigned DOE Federal Register Liaison Officer has been authorized to sign and submit the document in electronic format for publication, as an official document of the Department of Energy. This administrative process in no way alters the legal effect of this document upon publication in the *Federal Register*.

Signed in Washington, DC, on November 7, 2022.

Treena V. Garrett
Federal Register Liaison Officer,
U.S. Department of Energy

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